

AMENDED IN SENATE MAY 2, 2001

AMENDED IN SENATE APRIL 19, 2001

**SENATE BILL**

**No. 1086**

**Introduced by Senator Alarcon**

February 23, 2001

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An act relating to air pollution, ~~and~~ making an appropriation therefor, *and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

SB 1086, as amended, Alarcon. Air pollution: liquified natural gas: production.

(1) Existing law requires the State Energy Resources Conservation and Development Commission, in conjunction with the State Air Resources Board, to carry out a program of technology development and financial assistance to expand the use of methanol fuel as a means of reducing air pollution, assuring the state's energy security, and increasing the competitiveness of fuel markets.

~~This bill would require the commission to implement a grant program, that would include matching fund criteria, to fund the development of equipment necessary to produce or accelerate the production of liquefied natural gas from solid waste landfills for use as transportation fuel.~~

~~(2) The bill would appropriate \$15,000,000 from the General Fund to the commission for purposes of the bill and would require the commission to expend those funds on projects that the commission determines are related to the research, development, and demonstration of equipment necessary to produce liquified natural gas from solid waste landfills for use as a transportation fuel.~~

(2) *This bill would declare that it is to take effect immediately as an urgency statute.*

Vote: <sup>2</sup>/<sub>3</sub>. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. The Legislature finds and declares all of the  
2 following:

3 (a) Many of the state's air quality management districts have  
4 adopted programs to reduce emissions from heavy-duty engines as  
5 a means of achieving health-based air quality standards and to  
6 reduce exposure to toxic air contaminants.

7 (b) The use of alternative fuel such as natural gas offers an  
8 immediate opportunity to reduce emissions from heavy-duty  
9 trucks.

10 (c) The recent increase in natural gas prices, coupled with  
11 increased demand from energy generators, present serious  
12 obstacles for both public and private fleet operators that have been  
13 required or encouraged to convert to natural gas.

14 (d) There is a critical need to expand natural gas supplies both  
15 for electrical energy generation and for use as a clean  
16 transportation fuel.

17 (e) California's solid waste landfills offer an immediate and  
18 significant source of affordable methane that can be converted to  
19 liquefied natural gas for use in heavy-duty vehicles.

20 (f) New demand for methane-produced fuel will encourage  
21 improvements in the recovery of landfill gas and may significantly  
22 reduce greenhouse gas emissions.

23 (g) Grants to fund a number of pilot projects will advance the  
24 commercialization of landfill gas treatment equipment and  
25 accelerate the production of liquefied natural gas from the state's  
26 solid waste landfills.

27 SEC. 2. (a) The sum of fifteen million dollars (\$15,000,000)  
28 is hereby appropriated from the General Fund to the State Energy  
29 Resources Conservation and Development Commission to be  
30 expended to develop equipment necessary to produce or accelerate  
31 the production of liquefied natural gas from solid waste landfills  
32 for use as a transportation fuel. The commission shall adopt

1 ~~guidelines governing the implementation of the grant program in~~  
2 ~~conformance with this section.~~

3 ~~(b) The grant program guidelines are not subject to the~~  
4 ~~requirements of Chapter 3.5 (commencing with Section 11340) of~~  
5 ~~Part 1 of Division 3 of Title 2 of the Government Code. The~~  
6 ~~guidelines shall do all of the following:~~

7 ~~(1) Establish criteria for selecting pilot projects to receive~~  
8 ~~funding for purposes of this section.~~

9 ~~(2) Establish matching fund criteria to ensure that entities that~~  
10 ~~receive funds pursuant to this section match the amount of any~~  
11 ~~grant funds awarded to the entity.~~

12 ~~(3) Establish appropriate audit procedures to ensure that grant~~  
13 ~~funds are expended in a manner consistent with this section.~~  
14 ~~expended on projects that the commission determines are related~~  
15 ~~to the research, development, and demonstration of equipment~~  
16 ~~needed to produce liquefied natural gas from solid waste landfills~~  
17 ~~for use as a transportation fuel.~~

18 ~~(b) The administrative and contract provisions of Sections 5~~  
19 ~~and 6 of Chapter 7 of the Statutes of the 2001 First Extraordinary~~  
20 ~~Session that are applicable to the commission are applicable to~~  
21 ~~this act. The commission shall administer the funds appropriated~~  
22 ~~pursuant to this act in accordance with those administrative and~~  
23 ~~contract provisions.~~

24 *SEC. 3. This act is an urgency statute necessary for the*  
25 *immediate preservation of the public peace, health, or safety*  
26 *within the meaning of Article IV of the Constitution and shall go*  
27 *into immediate effect. The facts constituting the necessity are:*

28 *In order to meet the natural gas needs of the people in the state*  
29 *during the current shortage of natural gas supplies, and in order*  
30 *to limit further impacts of that shortage on the public health,*  
31 *safety, and welfare, it is necessary that this act take effect*  
32 *immediately.*